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10 Chapter 9 Counsel for Tulare Local Healthcare District, Debtor

11 IN THE UNITED STATES BANKRUPTCY COURT

12 EASTERN DISTRICT OF CALIFORNIA

13 FRESNO DIVISION

14 In re	CASE NO. 17-13797
15 TULARE LOCAL HEALTHCARE	Chapter 9
16 DISTRICT, dba TULARE REGIONAL	DC No.: WW-103
17 MEDICAL CENTER,	
18 Debtor.	Date: May 16, 2019
Tax ID #: 94-6002897	Time: 9:30 a.m.
Address: 869 N. Cherry Street	Place: 2500 Tulare Street
Tulare, CA 93274	Fresno, CA 93721
	Courtroom 13
	Judge: Honorable René Lastreto II

19 DECLARATION OF SANFORD HASKINS IN SUPPORT OF MOTION FOR ORDER  
20 AUTHORIZING ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACT  
21 (STEVE CLARK & ASSOCIATES, INC.)

22 I, Sanford Haskins, hereby declare and represent as follows:

23 1. I am the Chief Administrative Officer ("CAO") of Tulare Local Healthcare  
24 District, dba Tulare Regional Medical Center ("TRMC" or "Debtor"), the Debtor in the  
above-captioned Chapter 9 case.

25 2. I make this Declaration in support of Debtor's Motion for Order  
26 Authorizing Assumption and Assignment of Executory Contract (Steve Clark &  
27 Associates, Inc.) ("Motion").

1       3. I have personal knowledge of the facts contained herein, except for those  
2 stated on information and belief, and as to those matters I believe them to be true.

3       4. On September 30, 2017, Debtor filed a voluntary petition for Chapter 9  
4 bankruptcy.

5       5. Debtor is a local health care district formed pursuant to Health and Safety  
6 Code Section 3200 et seq. and is located in Western Tulare County.

7       6. Debtor has entered into a transaction with Adventist Health and its  
8 affiliates, ("AH") whereby Debtor will lease its acute care hospital to AH. The lease is to  
9 be effective on the date of issuance of a change of ownership license, which is  
10 anticipated to be on or before March 30, 2019, or the date the change of ownership is  
11 issued, whichever is later ("Closing Date").

12       7. As a part of the lease, that certain executory contract identified as the  
13 letter of agreement, effectively dated March 7, 2017, by between the District and Steve  
14 Clark & Associates, Inc., which provided Medi-Cal reimbursement consulting services  
15 to the District (the "Contract") is to be assumed by Debtor and assigned to AH. The  
16 Debtor believes that there is no cure to be paid as a part of this assignment.

17       8. Assumption of the Contract is essential to Debtor's successful  
18 reorganization because it will enable Debtor to consummate the lease with AH. AH and  
19 Debtor have determined that the Contract is critical to the business operations for  
20 which AH will use the assigned contract to be transferred from Debtor to AH.

21       9. Debtor will have the financial assets to cure all defaults, if any, under the  
22 Designated Contracts and Agreements.

23       10. AH is an established and well-capitalized entity. It has demonstrated its  
24 ability to perform under the Contract by its prolonged growth and success in the health  
25 care industry. This history of performance provides the non-Debtor parties to the  
26 Contract with adequate assurance of future performance by AH.

27       11. Due to the proximity of the Closing Date, AH and Debtor are under time  
28 pressure to complete tasks associated with the closing requirements of the lease. As a

1 result, a fourteen (14) day stay of order authorizing the assumption and assignment of  
2 the Contract could delay closing and jeopardize Debtor's ability to consummate the  
3 lease.

4 12. I am over the age of eighteen and if I were called as a witness in  
5 connection with these proceedings I would and could testify as set out in this  
6 Declaration.

7 I declare under penalty of perjury, under the laws of the United States of  
8 America, that the foregoing is true and correct.

9 Executed this 1st day of May, 2019 at Portland, Oregon.

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12 Sanford Haskins, Chief Administrative Officer  
13 Tulare Local Healthcare District, dba  
14 Tulare Regional Medical Center